

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1257-03
Bill No.: SB 294
Subject: Education, Elementary and Secondary; Boards, Commissions, Committees,
Councils; Elementary and Secondary Education Department
Type: Original
Date: March 15, 2011

Bill Summary: This proposal modifies provisions relating to charter schools and alternative arrangements for at-risk students.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Higher Education** state this proposal would have no direct, foreseeable fiscal impact on their agency.

Officials from the **Department of Social Services - Division of Youth Services (DOS-DYS)** assume that alternative charter schools would provide additional options for youth served by DYS who are at risk of not completing secondary education requirements. The creation of charter schools focused on developing and implementing strategies for preventing dropouts, providing alternative paths for accruing credits, and delivering instruction through alternative methods would provide youth an additional option for completing school rather than the traditional high school or GED. Enrollment in such schools may provide juvenile court diversionary benefits to communities.

Should high risk and alternative charter schools become successful and commonplace, Missouri could recognize a reduction in the number of juvenile law violations due to the correlation between successful school experience and law abiding behavior. Any reduction in juvenile law violations could reduce the number of youth committed to DYS.

Most youth are discharged from the care and supervision of DYS prior to attaining age eighteen. Since school completion/graduation generally occurs for most youth around age 18, DYS assumes no fiscal impact on its programming.

Since the number and size of high risk and alternative charter schools that could be opened is unknown, it is impossible to project the number of students who would be enrolled. It is also impossible to project how the charter school option may impact community compliance of youth under supervision of DYS or the juvenile courts.

Officials from DOS-DYS state there is no fiscal impact on their agency.

§160.405

Officials from the **Department of Elementary and Secondary Education (DESE)** state that §160.405.6 (1) and (2) proposes that charter schools establish alternative arrangements for students to obtain credit for satisfying graduation requirements. These special arrangements would be approved by the state board of education at the time the charter is approved. Section (2) indicates that DESE shall conduct a study of any charter school granted alternative arrangements which will require additional monitoring personnel.

ASSUMPTION (continued)

In a prior year fiscal note (SB 835 FN 4710-01), DESE assumed these requirements could be handled during the existing Missouri School Improvement Program (MSIP) process. It has since been found that alternative arrangements cannot be integrated into the MSIP process. They must be established and monitored which will require additional personnel.

Oversight notes that the language in the proposal states the study is to be done after three years of operation which goes beyond the scope of this fiscal note. For fiscal note purposes only, **Oversight** will assign no cost.

§160.539

DESE assumes this section would not appear to create a fiscal impact on the state. While it increases the age of the student that can participate in the flex program, it still maintains that they are pursuing a timely graduation. It would not appear that a great number of students, who have been out of the public schools or charters, are going to enroll just to take part in this. It is more likely aimed at students already enrolled and thus would not create an increase in state aid.

Officials from the **University of Missouri - St Louis** (charter school sponsor) state that this proposal does not financially affect their office or their schools.

Officials from **Saint Louis University** (charter school sponsor) anticipate neither positive nor negative fiscal impact.

Officials from the **University of Missouri - Kansas City** (charter school sponsor) responded, but did not indicate any fiscal impact.

Officials from the **Parkway School District** state that this proposed legislation does not appear to have a cost impact to their district.

Officials from the **Special School District of St Louis County (SSD)** assume the only provision of this proposed legislation on SSD is the School Flex section (§160.539.3 & 4). However, students with Individual Education Programs (IEP) can currently stay in school and receive services until age 21. As such, SSD doesn't anticipate that this proposal will have a material fiscal impact on SSD.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

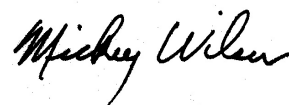
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Social Services
Department of Higher Education
Charter School Sponsors
 Saint Louis University
 University of Missouri - St Louis
 University of Missouri - Kansas City
School Districts
 Special School District of St Louis County
 Parkway



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Mickey Wilson, CPA
Director
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